Transformation of Rural Economy

3590. SHRI EKANATH K. THAKUR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that despite the 9.2 per cent economic growth, the disparities between urban India and rural Bharat are also growing;

(b) whether it is a fact that through rural Bharat contributes 25 per cent to out GDP, it gets only 5 per cent of the investments, while balance 95 per cent of the invest goes to urban India;

(c) whether it is a fact that consumption of bottom 80 per cent of population has actual decline in the last 15 years causing malnutrition and poor health; and

(d) if so, the steps Government propose to take to bring about the transformation of rural economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) As per available statistics on national Income, the ratio between urban and rural per-capita income was 2.45 in 1970-71, 2.32 in 1980-81, 2.34 in 1993-94 and 2.82 in 1999-2000. The estimates of investment separately for rural and urban areas are not available.

(c) As per the NSS 50th round result of consumer expenditure survey, covering the period July, 1993 to June, 1994, the monthly per-capita consumption expenditure of bottom 80 per cent of the population is estimated as Rs. 215.56 and Rs. 325.56 in rural and urban areas, respectively. As per the NSS 61 st Round result of consumer expenditure survey covering the period July, 2004 to June, 2005, the monthly per-capita consumption expenditure 6f bottom 80 per cent of the population is estimated as Rs. 238.06 and Rs. 362.94 in rural and urban areas, respectively, in real terms.

(d) In order to bridge the rural-urban divide, the Bharat Nirman programme addresses gaps in rural infrastructure and covers irrigation, road connectivity, housing, water supply, electrification and telephony. The National Rural Employment Guarantee Act has elements of a social safety net as it provides guaranteed employment in rural areas, but can also help in building

rural infrastructure especially if resources from other programmes are also pooled in. The Sarva Shiksha Abhiyan and National Rural Health Mission are ambitious programmes for providing primary education and primary health services universally. All these programmes are meant to give a new deal to rural India.

Integrated income risk management for farmers

3591. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether Government are seriously considering any proposal of integrated income risk management mechanism for farmers on the eventuality of losing their expected income by various reasons, i.e. flood, drought etc. as this mechanism is successfully going on in the western world;

(b) if so, what are the details thereof and by when it will be implemented in the country; and

(c) if not, what are the reasons for not implementing this?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Yes, Sir. Agricultural Insurance Company of India Ltd. (AICIL) introduced Rainfall Insurance Scheme known as "Varsha Bima" during 2004 south-west monsoon period. Varsha Bima provided for five different options suiting varied requirements of farming community: (i) seasonal rainfall insurance based on aggregated rainfall from June to September, (ii) sowing failure insurance based on rainfall between June 15 and August 15, (iii) rainfall distribution insurance with the weight assigned to different weeks between June and September, (iv) agronomic index constructed on the basis of water requirements of crops, (v) a catastrophe option covering extremely adverse deviation of 50 per cent and above in rainfall during the season. Varsha Bima was piloted in 20 rain-gauge areas spread over Andhra Pradesh, Karnataka, Rajasthan and Uttar Pradesh in 2004-05. Based on the experience of the pilot project, the scheme was fine tuned and implemented as 'Varsha Bima 2005' in 130 districts across ten States during Kharif 2005 and as Varsha Bima-2006 in 150 districts/rain gauge station areas of 16 States during kharif